

# Exhibit to Agenda Item #1

Board Finance & Audit Committee Meeting and Special SMUD Board of Directors Meeting

Tuesday, October 30, 2018 scheduled to begin at 5:30 p.m.

Customer Service Center, Rubicon Room

## Cable Replacement: Requested Action

Authorize the Chief Executive Officer and General Manager to award two zero-dollar contracts to Lund Construction and Arrow Construction for an aggregate amount of all tasks not-to-exceed \$42,000,000 for the initial three-year period from November 19, 2018 through November 19, 2021, and an amount not-to-exceed \$28,000,000 for the two-year option from November 19, 2021 to November 19, 2023 for a total aggregate amount not-to-exceed \$70,000,000 for the full five-years for cable replacement support: rocksaw and boring.

# Cable Replacement: Background

Cable Replacement Solicitation 180163.JM	
Contract Term	Three Years, 2018-2021 and two-year option, 2021-2023
Solicitation Strategy	Request for Proposal
Award Strategy	Zero dollar contracts to two highest evaluated responsive proposers
Estimated Contract Amount	\$70M (\$42M years 1-3 and \$28M years 4-5)
Existing Contract	Lund 4600000921; Expires 3/31/2019 Sierra National Construction 4600000922; Expired 9/14/2018
Existing Combined Contract Value	\$38.4M (increased by \$10M in July 2017)

- Support cable replacement and associated construction work for a 3 to 5 year period
- Rock-saw excavation and trenching (2,200,000 LF)
- Asphalt and resurfacing (7,500,000 SF)
- Service and pull box installations (4,235 units)

# Cable Replacement: Timeline

- RFP Released – July 2018
- RFP Pre-Proposal Conference – 13 Vendors Attended
- RFP Proposals Received – 6
- Proposal Negotiations – October 1, 2018
- Continued Negotiations – October 16-19, 2018
- Contract Award – November 19, 2018

# Cable Replacement: Award Results

- 5 responsive bidders
- 4 of 5 w/ SEED component
- Lund Construction, 13.9% SEED, \$8,328,285
- Arrow Construction, 20% SEED, \$12,690,524.84
- Multiple zero-dollar contract awards
  - Promote competitive environment through contract lifecycle
  - Mitigate labor resource risks by providing more than one supplier/contract
  - Mitigate performance risks and increase ability for rapid response
  - Reduces SMUD's committed costs to any one contractor

# Cable Replacement: Bid Evaluation

Responsive Proposals Received	Pass/Fail	SEED Points	Technical Points	Price Points	Total Score	Rank	Proposal Amount	SEED Credit	Evaluated Proposal Amount	Proposed Award Amount
		10	35	55	100					
Arrow Construction	Passed	10.00	34.5	52.7	97.2	1	\$62,565,124	\$250,000	\$62,315,124	Years 1 - 3: Not-to-Exceed \$42M Aggregate Amount of all Task Authorizations
Lund Construction Co.	Passed	6.95	34.0	55.0	96.0	2	\$59,915,721	\$250,000	\$59,665,721	Years 4 - 5: Not-to-Exceed \$28M Aggregate Amount of All Task Authorizations
MP Nextlevel of California, Inc.	Passed	9.05	27.0	54.8	90.8	3	\$60,183,684	\$250,000	\$59,933,684	
Hylan West, Inc.	Passed	10.00	28.0	51.1	89.1	4	\$64,510,105	\$250,000	\$64,260,105	
Veteran Power, Inc.	Passed	-	30.0	25.0	55.0	5	\$131,166,880		\$131,166,880	

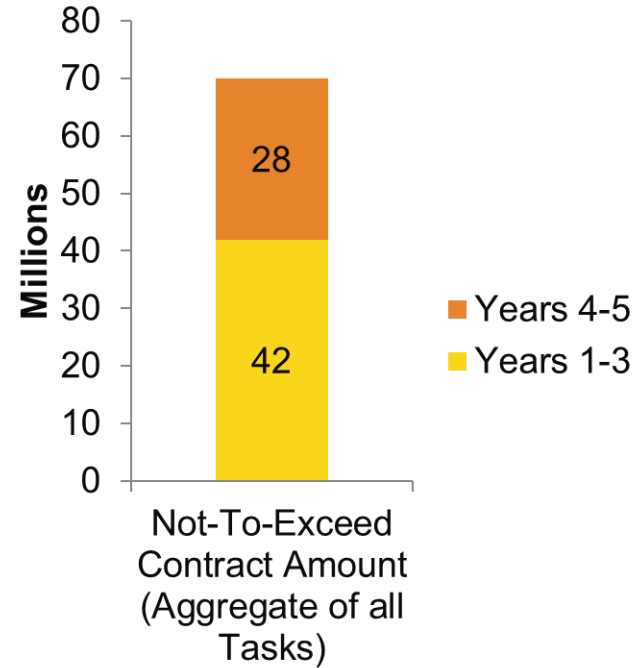
*Total SEED Award \$21M*

# Cable Replacement: Negotiated Price



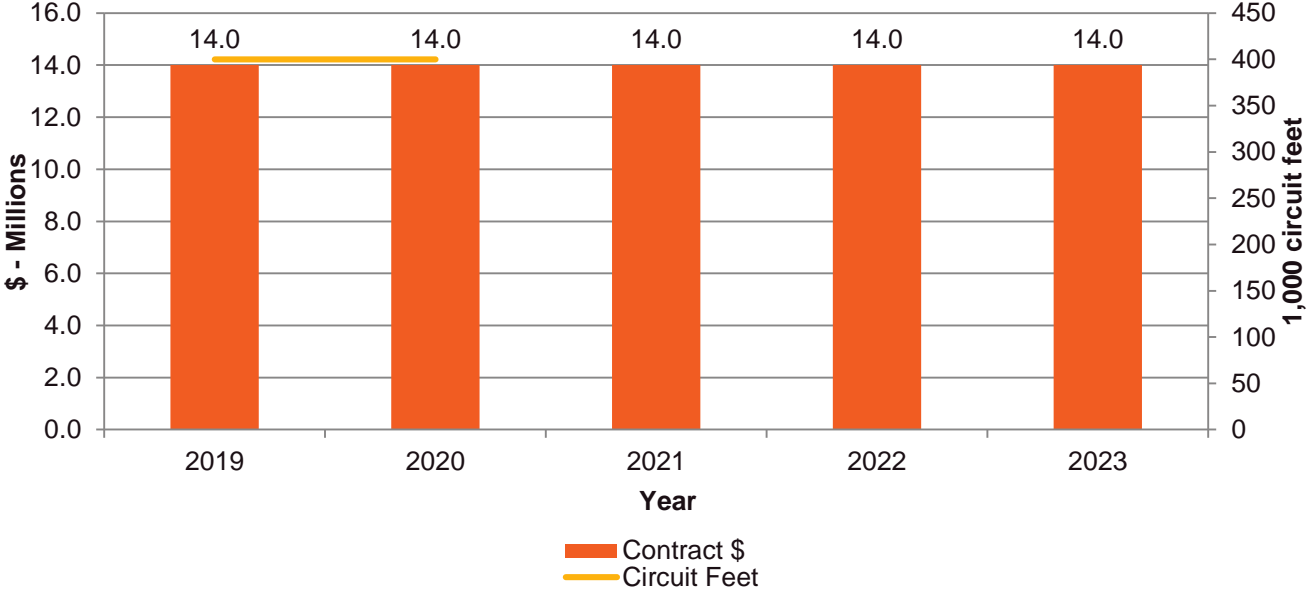
# Award Allocation Methodology

- Zero Dollar Contracts
- Tasks issued to Contractors on a performance basis
- The aggregate amount of all tasks will not exceed \$42M through year 3 and \$70M for the full 5 years.

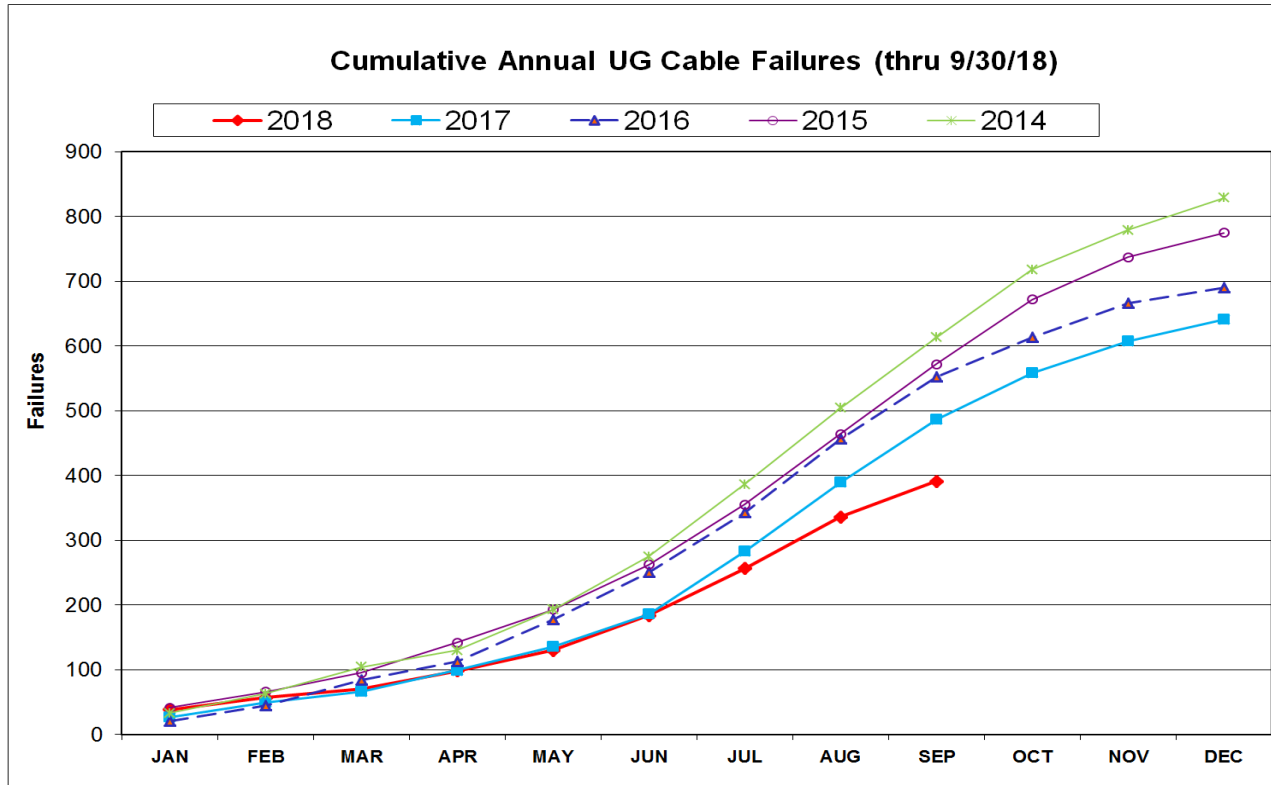




# Cable Replacement Actual/Forecast



# Program Results



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